

TERMS OF OPTION TO PURCHASE

Note: A bidder's registration is required. The bidder must register and obtain a bidder's number prior to the auction.

ALL CASH TERMS: Seller does not intend to offer credit for this sale.

REGISTRATION: All interested buyers must register and obtain a BID CARD. In order to register, bidders must bring a CASHIER'S CHECK or MONEY ORDER made payable to the California Department of Transportation in the amount of **\$5,000.00**, per parcel you intend to bid on. **Parcels #2 and # 12 have a \$10,000 BID DEPOSIT.** The check will be collected from winning bidders only, immediately following the auction. A down payment equal to 10% of the bid amount is required not later than MARCH 8, 2007.

REQUIRED DEPOSIT: The successful bidder will be required to Deposit 10% of the winning bid with the State by MARCH 8, 2007. All of the registration fee will be used for the deposit. All payments must be by **CASHIER'S CHECK OR MONEY ORDER** made payable to the California Department of Transportation.

FORFEITURE OF DEPOSIT: The option deposit and any additional option deposits shall be **NON-REFUNDABLE** in the event that the successful bidder fails to exercise the option within the option period or fails to comply with any and all of the terms of the option as herein provided.

OPTION PERIOD: This period shall commence on the first day following the auction and expires May 11, 2007. **The balance of the purchase price shall be paid on or before expiration of the Option Period of May 11, 2007.**

EXTENSION OF THE OPTION PERIOD: There may be situations wherein the option holder is unable to complete the Terms of Option within the time allowed for reasons beyond his/her control. Under these circumstances, the State, at its discretion, may elect to extend the option period. A charge of 1% of the bid price per month will normally be made for such extensions. **This fee will not be applied to the purchase price.**

OPTION AGREEMENT: The highest bid will be submitted to the California Transportation Commission (C.T.C.) for approval. Upon signing of the purchase agreement, the successful bidder shall be bound to the terms specified in the Terms of Option To Purchase.

ESCROW and PAPERWORK PROCESSING: The State will handle the transfer of the property at NO CHARGE to the successful bidder except for regular transfer and recording fees. This is not considered to be a formal escrow as there is no disinterested third party. Bidder may elect to open an escrow within 5 working days with a mutually acceptable California licensed escrow company at bidder's expense.

TITLE INSURANCE: The successful bidder is encouraged to obtain a policy of Title Insurance at his own expense. The State will not purchase Title Insurance.

PAYMENTS: Payments must be made by **CASHIER'S CHECK or MONEY ORDER**, made payable to the **CALIFORNIA DEPARTMENT OF TRANSPORTATION**. The successful bidder's 10% option deposit will be retained by the State. The balance of the purchase price is due on or before May 11, 2007. The successful bidder shall pay all recording fees, documentary transfer tax, and other real estate transaction taxes or fees by whatever name known, including escrow fees and broker's commission, if any, and personal property taxes where applicable.

Following the auction, call to schedule an appointment to make payments. You may contact Caltrans at: (909) 444-0555.

****PLEASE NOTE NEW BID DEPOSIT AMOUNT OF \$5,000****

LIMITING CONDITIONS: The successful bidder may take possession when the Director's Deed transferring title is recorded.

- (1) The sale under this option is subject to the approval of the C.T.C. Any assignments under this contract must be made 30 days prior to C.T.C approval. If the sale is not approved, the option deposit money will be refunded without interest. When the sale is approved by the C.T.C. and the successful bidder exercises the option, the option deposit will be credited toward the bid purchase price.
- (2) The State reserves the right to reject any and all bids and to cancel the sale in part or in its entirety, any time and for any reason prior to the recordation of the Directors Deed.
- (3) The right, title and interest in the property to be sold shall not exceed that vested in the State of California, and this sale is subject to all title exceptions and reservations whether or not recorded.
- (4) The successful buyer is encouraged to obtain a policy of Title Insurance at his/her own expense.
- (5) **SECOND HIGHEST BIDDER:** In the event that the high bidder fails to exercise his/her option within the option period or defaults in completion of the sale, the State may, at its discretion, offer the option to the second highest bidder. If the second highest bidder accepts the option, the deposit requirements and terms of option to purchase shall be the same as stated in this notice of sale, except that the option period shall commence on the day the option is awarded by the State. At our discretion, the State may go to the third highest bidder.
- (6) In the event of cancellation of sale by the State and/or rejection of any bids, the respective deposits of money shall be refunded without interest.
- (7) Should the successful purchaser desire a survey of the property, an independent survey at the buyer's expense may accomplish this. No warranty is made by the Department of Transportation relative to the ground locations of the property lines other than monumented highway right-of-way lines.
- (8) The successful purchaser shall be responsible for complying with local building codes and ordinances. All properties are sold in an "AS IS" condition.
- (9) All Caltrans employees may bid to acquire excess State owned properties except employees who have direct access to information not generally available to the public or who influence the purchase or sale of right-of-way or other real properties.

